

## Determining the Procurement Method

At this point it is important to determine the procurement method as it will be a major factor in the planning process. For example, the procurement lead time for an Invitation for Bid and a Request for Proposal differ significantly.

- Invitation for Bids (IFB) - The IFB uses the competitive sealed bid method. This method is used when the requirements are clearly defined, negotiations are not necessary and price is the major determining factor for selection. **Best value** considerations can also be used with the IFB method. **Invitation for Bids** is covered in the Procurement Manual.
- Request for Information (RFI) - **Requests for Information** are used primarily as a planning tool. The RFI is an optional method that may be used to gather information in order to prepare a complete and accurate solicitation document when an agency does not have the necessary information to prepare a complete and accurate solicitation document. RFI's are used to identify industry standards, best practices, potential performance measures, and cost or price structures or to generally ascertain the level of interest of prospective respondents. A preliminary solicitation document which provides an initial description of the program objectives and specifications usually accompanies an RFI for review by potential respondents. Agencies may use the information derived from the responses to finalize their solicitation document. Agencies are not required to incorporate any or all of the comments or suggestions made by the contractor, but the hope is that the contractor will provide useful information in the RFP development process.
- Request for Offer (RFO) – Generally used for **Catalog Purchases** (<http://www.tbpc.state.tx.us/stpurch/cisv.html>). The process is generally the same as the RFP process. Catalog purchases include the purchase of automated information systems and are covered under Texas **Government Code §2157**.
- Request for Proposal (RFP) – Used when competitive sealed bidding is not practicable or advantageous. Generally this is when factors other than price are to be considered or when objective criteria cannot be defined. One of the key differences between an IFB and an RFP is that negotiations are allowed in an RFP. Discussions are allowed with the respondents and best and final offers are solicited. Unless otherwise exempted, agencies must submit their RFPs to TBPC for review prior to solicitation.
- Request for Qualifications (RFQ) – Generally used for Professional Services (<http://www.tbpc.state.tx.us/stpurch/2-20.html>) wherein the respondents are evaluated based solely on their qualifications. Price is not considered until after selection is made by the agency based on qualifications. Professional Services are covered under Texas Government Code §2254 <http://www.capitol.state.tx.us/statutes/gv.toc.htm>.

The table below is provided to assist in making the appropriate choice in selection of a procurement method. As a reminder, agencies should first refer to any applicable statutory requirements which may direct them to use a specific procurement method.

Procurement Method	Use When	Advantages	Disadvantages
Competitive Bids (Invitation for Bids)	<p>Lots of competition exists.</p> <p>The product or service is available from more than one source.</p>	<p>Award process is simpler.</p> <p>Award is made to the lowest responsive, responsible bidder providing the best value to the State.</p>	<p>Defined specifications may be difficult to develop.</p> <p>Does not encourage innovative solutions.</p>
Competitive Proposals (Request for Proposals, Request for Offer)	<p>When factors other than price are evaluated.</p> <p>When negotiations are desired.</p> <p>Vendor is expected to provide innovative ideas.</p>	<p>Allows factors other than price to be considered.</p> <p>Allows for customized proposals suggesting different approaches to the same business need.</p> <p>Allows for negotiations in order to obtain the best value for the state.</p>	<p>Lead times for procurement are much greater.</p> <p>Evaluations are more complex and subjective.</p>
Request for Information	<p>There is insufficient information to write specifications for any procurement method.</p>	<p>Provides information to prepare a complete bid or proposal document.</p> <p>Allows the business community to have input into the agency's solicitation document based on current industry practices and market factors.</p> <p>Informs agency of any potential problems early in the procurement.</p>	<p>Lengthens the procurement process.</p>
Request for Qualifications [This method is usually required by statute (e.g. Professional Services)]	<p>Selection is made solely on the skills and qualifications of the contractor. Price is not a factor until after a vendor is selected.</p>	<p>Emphasizes the competency of the proposed contractors.</p>	<p>Contractor is selected before price is negotiated.</p>

